

1 State of Arkansas As Engrossed: S3/15/23 H3/30/23

2 94th General Assembly

# A Bill

3 Regular Session, 2023

SENATE BILL 324

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5 By: Senator J. Dismang

6 By: Representative L. Johnson

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## For An Act To Be Entitled

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AN ACT TO EXEMPT CERTAIN NONPROFIT AGRICULTURAL

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MEMBERSHIP ORGANIZATIONS FROM INSURANCE REGULATION;

11

AND FOR OTHER PURPOSES.

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## Subtitle

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TO EXEMPT CERTAIN NONPROFIT AGRICULTURAL

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MEMBERSHIP ORGANIZATIONS FROM INSURANCE

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REGULATION.

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BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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SECTION 1. Arkansas Code § 23-60-104(a), concerning the applicability of the Arkansas Insurance Code and rules promulgated by the Insurance Commissioner under the Arkansas Insurance Code, is amended to add an additional subdivision to read as follows:

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(4)(A) A nonprofit agricultural membership organization.

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(B) Any risk arising out of a contract for coverage for

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healthcare services between a member of a nonprofit agricultural membership

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organization and a nonprofit agricultural membership organization, or its

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affiliate, may be reinsured by an insurer that is authorized to transact

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insurance in this state.

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(C) A nonprofit agricultural membership organization shall

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pay a levy of the insurance premium tax to the same extent as a domestic

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insurer under § 26-57-604.

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SECTION 2. Arkansas Code § 23-60-104(b), concerning definitions used



1 for exceptions to the Arkansas Insurance Code, is amended to add an  
2 additional subdivision to read as follows:

3 (3) "Nonprofit agricultural membership organization" means an  
4 organization that:

5 (A) Is incorporated under the laws of this state;

6 (B) Has a physical presence in every county of this state;

7 (C) Has a purpose of promoting the interests of farmers or  
8 their affiliates in this state;

9 (D) Provides coverage for healthcare services for members  
10 and their families pursuant to contracts between members and the organization  
11 or its affiliates; and

12 (E)(i) Has a designated individual who, in consultation  
13 with the State Insurance Department, operates as an ombudsman to address  
14 concerns from insured members regarding the insurance policy.

15 (ii) If a complaint is received by the department  
16 from insured members of the nonprofit agricultural membership organization,  
17 then the department shall forward the complaints to the designated individual  
18 operating as the nonprofit agricultural membership organization's ombudsman  
19 under subdivision (b)(3)(E)(i) of this section.

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21 SECTION 3. Arkansas Code § 23-76-103(c), concerning the applicability  
22 of law concerning hospital and medical service corporations, is amended to  
23 read as follows:

24 (c) This chapter does not apply to a:

25 (1) Healthcare sharing ministry as defined in § 23-60-104(b); ~~or~~

26 (2) Direct healthcare agreement as defined in § 23-60-104(b); ~~or~~

27 (3) Nonprofit agricultural membership organization as defined in  
28 § 23-60-104.

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30 /s/J. Dismang

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33 **APPROVED: 4/11/23**